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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 04/21/09

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Mainichi:

Hitachi mulls plan to seek public funds to strengthen financial
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Yomiuri:

Toyota output to fall below 3 million units in fiscal 2009

Nikkei:

Government, insurers to offer insurance protection for new-home
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Sankei:

Chosen Soren suspected of failing to pay back debts totaling 6
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In child murder case, retrial likely as result of DNA analysis

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JCP member reveals Panasonic's plan to cut 15,000 jobs

2) EDITORIALS

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- (1) DPJ must seriously address Ozawa's scandal over illegal
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(2) OAS Summit: Put an end to the "cold war"

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(2) Government should take proper economic stimulus measures, not
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Yomiuri:

- (1) We wonder why Ozawa avoids debate with Aso
(2) Make full use of intellectual assets

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- (1) Revise Organ Transplant Law to increase donors
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- (1) Review of system to make local governments pay part of costs for government projects can be taken as test case of decentralization
- (2) Purpose of Education Ministry's requirement of all schools to participate in academic ability test remains unclear

Akahata:

- (1) OAS Summit marks start of new "regional order"

- 3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, April 20

NIKKEI (Page 2) (Full)

April 21, 2009

08:59

Met Chief Cabinet Secretary Kawamura at the Kantei.

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09:11

Attended a welcome event for Vietnamese Communist Party General Secretary Nong Duc Manh.

10:41

Met LDP Secretary General Hosoda and Diet Affairs Committee Chairman Oshima, joined by Kawashima.

11:38

Met LDP anti-global warming headquarters chief Noda, his deputy Sonoda and others.

15:24

Met Japan Association of Geriatric Health Services Facilities Chairman Kawai, in the presence of Lower House member Tokuichiro Tamazawa.

15:59

Met Upper House member Ichiro Tsukada.

17:03

Attended an LDP executive meeting in the Diet building. Hosoda stayed on.

18:16

Had a meeting with Manh at the Kantei.

19:28

Held a joint press conference. Afterward hosted a dinner party.

21:42

Dined at a Japanese restaurant in Akasaka with LDP Election Strategy Council Chairman Koga, former Foreign Minister Koumura, former Defense Minister Kyuma, and former METI Minister Hiranuma.

22:43

Returned to the official residence.

- 4) Poll: Cabinet support rebounds to 26%

ASAHI (Page 1) (Full)

April 21, 2009

The Asahi Shimbun conducted a telephone-based nationwide public opinion survey on April 18-19, in which the rate of public support for Prime Minister Aso's cabinet rebounded to 26% from the 22% rating in the last survey taken March 28-29. The nonsupport rate was 57% (64% in the last survey). Asked about the prime minister's recently announced additional package of economic stimulus measures, 60% answered that they appreciated it, with 25% saying they didn't.

Cabinet support went down to 13% in a survey taken Feb. 19-20. It gradually recovered in the last and latest surveys. The last survey was conducted after Democratic Party of Japan (Minshuto) President Ozawa's state-funded secretary was indicted for illicit political donations from Nishimatsu Construction Co. Cabinet support among

those who support the ruling Liberal Democratic Party rose from 56% to 65%.

The additional stimulus package is based on a plan to issue government bonds for funding resources. With this explained, respondents were asked if they appreciated the stimulus package. In

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response to this question, "yes" accounted for only 20% among those with no particular party affiliation or floating voters that account for nearly 50% of all respondents. Even among those who support the ruling Liberal Democratic Party, opinion was split, with "yes" accounting for 44% and "no" at 39%. As seen from these figures, the additional package did not boost cabinet support substantially.

Ozawa, after his secretary was indicted, clarified that he would remain in his party post for the time being. In the survey, respondents were asked whether they thought Ozawa should resign from his party post. To this question, "yes" accounted for 61%, with "no" at 28%. In the last survey, "yes" accounted for 63%, though the question was asked in a little different way.

Respondents were also asked about the dispatch of Maritime Self-Defense Force destroyers for an antipiracy mission in waters off the eastern African coast of Somalia. In response to this question, affirmative answers totaled 61%, with negative answers accounting for 26%. Respondents were further asked about the advisability of allowing the MSDF to fire on pirate ships if they refuse orders to stop. To this question, 50% answered "yes," with 36% saying "no."

5) Prime Minister Aso: Early passage of extra budget is important

YOMIURI (Page 2) (Full)
April 21, 2009

When asked by reporters last evening about when he would dissolve the House of Representatives and call a general election, Prime Minister Taro Aso said:

"Lower House dissolution and passage of the supplementary budget (for fiscal 2009) are not directly related. (However) as long as I have heard, expectations for the extra budget are surprisingly strong. So, it is important to pass it through the Diet as early as possible."

Aso indicated in his remarks that he would put all his efforts to push the fiscal 2009 extra budget and related bills through the Diet rather than to dissolve the Lower House

In this connection, Liberal Democratic Party (LDP) Election Strategy Council Deputy Chairman Yoshihiro Suga said yesterday at a gathering in Tokyo: "I told the prime minister that he should walk the high road after passing (the extra budget) through the Diet." He emphasized at the gathering that the passage of the extra budget and related bills would become a precondition for the prime minister to dissolve the Lower House.

New Komeito Secretary General Kazuo Kitagawa revealed his view at a gathering in Osaka City that the Lower House should be dissolved in August or later.

6) LDP Secretary General Hosoda: Fiscal 2009 extra budget would clear Diet after Golden Week holidays in early May

ASAHI (Page 4) (Full)
April 21, 2009

Liberal Democratic Party (LDP) Secretary General Hiroyuki Hosoda, referring at a press conference yesterday to a supplementary budget

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for fiscal 2009 and related bills, said: "We will work hard next week, aiming to get them through the Diet after the consecutive

holidays." He revealed that the ruling LDP would aim at the passage of the extra budget and related bills in the middle of May. He indicated that the Diet should carry out deliberations on the extra budget even in between the Golden Week holidays, saying: "Since the economic situation is extremely severe, the passage of the budget should be speeded up."

LDP Diet Affairs Committee Chairman Tadamori Oshima, who has been instructed along with Hosoda by Prime Minister Taro Aso to have the extra budget passed through the Diet as early as possible, said in a party last evening hosted by a House of Representatives member:

"I think Prime Minister Aso, who has said that he places priority on the economy rather than on the political situation, wants to decide on his own as to when to dissolve the Lower House, once the supplementary budget gets through the Diet as quickly as possible."

7) Lower House should be dissolved after extra budget clears Diet:
LDP's Suga

ASAHI (Page 4) (Full)
April 21, 2009

Yoshihide Suga, deputy chairman of the ruling Liberal Democratic Party (LDP) Election Strategy Council, yesterday delivered a speech in Tokyo. Referring in it to the timing of dissolution of the House of Representatives and of the general election, he said: "I told the prime minister that he should walk the high road, after (the fiscal 2009 supplementary budget) clears the Diet." He indicated his view that the Lower House should be dissolved before the terms of the Lower House members expire, after the extra budget and related bills clear the Diet.

8) New Komeito hopes Lower House will be dissolved in late August or later

ASAHI (Page 4) (Full)
April 21, 2009

New Komeito Secretary General Kazuo Kitagawa yesterday delivered a speech in Osaka City, in which said:

"I assume that the economy will bottom out somewhere around mid-August, when the gross domestic product (GDP) figure for the April-June period is released. When many people feel that the economy has bottomed out, this would be an opportunity for dissolution of the House of Representatives."

He expressed his hopes that Lower House dissolution would be put off to late August or later.

9) Ozawa resumes political tour; Remains mum about Nishimatsu incident

MAINICHI (Page 5) (Excerpts)
April 21, 2009

Joichi Sato, So Watanabe

Democratic Party of Japan (DPJ) President Ichiro Ozawa completely

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resumed yesterday his nationwide political tour after a lapse due to the arrest and indictment of his state-paid secretary for violation of the Political Funds Control Law. Delivering a speech at a party held by a DPJ House of Councillors member in Kitakyushu, Ozawa expressed his eagerness for a change of government. He did not refer to the scandal involving his secretary, however. Questions have been raised from within the DPJ which expected a clear-cut explanation for the voters, with a veteran lawmaker saying, "With this, will be able to turn the tables?"

In the speech, Ozawa discussed his enthusiasm for his party taking power, saying: "Since my departure from the Liberal Democratic Party (LDP), I have been working hard, thinking there is no future for Japan unless parliamentary democracy takes root. My dream is now

within reach." After the party, he was asked by a reporter why he did not touch on the incident involving his secretary. Ozawa simply replied, "Today's event is not for an explanation of such a matter."

Since the incident came to light on March 3, Ozawa has significantly slowed down the pace of his local tours. Before yesterday's party, he had only attended an event held in Yokohama on March 15 for a DPJ candidate running in the next Lower House election and the camp on March 28 of the DPJ candidate running in the latest Chiba gubernatorial election. His schedule was not announced for either event. His visit to Fukuoka Prefecture yesterday marked his first official local event since the revelation of the scandal.

Ozawa resumed his nationwide political stumping tour in compliance with the advice by Secretary General Yukio Hatoyama and others to offer a detailed explanation to the general public about the scandal and how political funds were used. But in Kitakyushu yesterday, Ozawa neither conducted a town hall meeting, a form proposed by Hatoyama, nor touched on the political funds scandal. It is unclear if he is willing to offer an explanation deeper than before.

Amid growing criticism of Ozawa's lack of explanation, Lower House member Muneo Suzuki, representing the proportional representation Hokkaido bloc, defended Ozawa in a BS11 digital program yesterday. Suzuki said: "He has set out a total ban on corporate and organizational donations, so he has fulfilled his accountability."

10) Government significantly downgrades its projection for growth in fiscal 2009 to minus 3%

YOMIURI (Page 1) (Full)
April 21, 2009

The government on April 20 began making adjustments toward downgrading its outlook for the growth of real domestic product for fiscal 2009 to minus 3% or so. It had adopted an outlook for 0.0% growth in the GDP at a cabinet meeting in January, but will significantly downgrade its outlook based on the worse-than-expected economic decline. In the past, the government also downgraded its outlook for growth for fiscal 2001 from 1.7% to minus 0.9% due to the 9/11 terrorist attacks on the U.S. However, the downward revision this time is the worst revision ever made to the government's economic projection.

In its additional economic stimulus measures adopted on the 10th, the government put forward a policy of propping up the economy. Its judgment was that though the real growth rate would be pushed down

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by around 2%, the growth will not sink into negative territory. The government usually revises its economic outlook adopted in the beginning of the year in the summer. An economic outlook revision in April is unprecedented. The outlook for tax revenues will also decline due to the downward revision in the growth outlook. As a result, recapitalizing the nation's financial base will become increasingly difficult.

11) Fiscal 2009 extra budget bill totals 13.93 trillion yen, with new government bond issuance totaling 10.82 trillion yen as revenue sources

YOMIURI (Page 2) (Full)
April 21, 2009

The details of a supplementary budget for fiscal 2009 that includes the government's additional economic stimulus measures were unveiled yesterday. The general account totals about 13.93 trillion yen, the largest ever scale, exceeding the approximately 7.638 trillion yen allocated in the third extra budget in fiscal 1998.

The government has decided to use about 850 billion yen of the one trillion yen earmarked in the initial budget for fiscal 2009 to fund emergency measures to buoy up the economy, so total outlays will boost to about 14.7 trillion yen. Moreover, about 600 billion yen will be disbursed from the Unemployment Insurance Special Account

for economic stimulus measures, bringing up the total amount to about 15.4 trillion yen.

The supplementary budget bill allocates about 2.97 trillion yen for monetary measures, about 2.58 trillion yen as outlays for social infrastructure construction, about 2.38 trillion yen for local governments, and about 2.02 trillion yen to fund assistance measures for the elderly and child-raising parents.

As revenue sources, the government will issue about 7.33 trillion yen worth of construction bonds and about 3.49 trillion yen worth of deficit bonds, in addition to funds from the economic stimulus reserve. New government bond issuance will total 10.82 trillion yen. Besides, about 3.1 trillion yen will be disbursed from the interest-rate fluctuation reserve in the Special Account for Public Investment and Loans. By issuing more investment-and-loan bonds (totaling about 6.1 trillion yen) to finance measures to help companies raise funds, the government intends to increase outlays for the fiscal investment and loan program to about 7.84 trillion yen.

12) Japanese version of Green New Deal: Environment market to be expanded to 120 trillion yen; 2.8 million jobs to be created by 2020

SANKEI (Page 3) (Full)
April 21, 2009

The government on April 20 released a Japanese version of the Green New Deal initiative. The envisaged plan aims at expanding the environment market by 50 trillion yen to 120 trillion yen by 2020, compared with the size of 2006. The number of jobs in the environment conservation-related area will also be doubled to 2.8 million in comparison with the level of the same year. Rebuilding or repairing homes for energy-saving will most contribute to the creation of jobs. The plan estimates that the number of jobs will

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grow three-fold in that field.

The outline of the government's economic growth strategy notes that the realization of a low carbon society and improved regional medical services will boost the real gross domestic product by 120 trillion yen and create 4 million jobs. The initiative reflects almost all environment measures included in that strategy.

Among environment conservation measures, rebuilding and repairing homes to make them an energy-saving type and repairs of compact home electronic appliances are expected to create the largest number of jobs. The Environment Ministry says that it will establish regional Green New Deal funds totaling 55 billion yen to promote measures to combat global warming and shore up local economies and job markets. It will also provide subsidies to local governments when they promote measures to manufacture, maintain and repair energy-saving equipment. It estimates that the home refurbishment and repair market created by such measures will become 20 trillion yen in 2020, double the level of 2006, and the size of employment to 900,000, triple the level of the same year.

The dissemination of energy-saving electronic appliances by such means as installing solar energy generators at such public facilities as schools, and the introduction of an eco-point system is expected to expand the energy-saving equipment machinery market from 20 trillion yen in 2006 to 30 trillion yen in 2020. The size of employment is also expected to grow from 100,000 to 200,000.

13) Premier Putin to visit Japan on May 11

YOMIURI (Page 4) (Full)
April 21, 2009

It was decided that Russian Premier Putin will visit Japan on May 11-12. He will meet with Prime Minister Aso. They are expected to exchange views on such issues as the Northern Territories issue, the launch of a ballistic missile by North Korea and economic cooperation in the Russian Far East. This will be Putin's first

visit to Japan since November 2005.

14) Northern Territories issue: Foreign minister reprimands on phone government representative Yachi over his statement accepting return of only 3 1/2 islands

YOMIURI (Page 4) (Full)
April 21 2009

Mainichi Shimbun reported that regarding the Northern Territories issue, government representative Shotaro Yachi, former vice foreign minister, made a statement that the return of only 3 1/2 islands is acceptable. In connection with this, Foreign Minister Nakasone on April 20 telephoned Yachi, now visiting the U.S., and asked what he really meant by that. This was revealed by Vice Foreign Minister Mitoji Yabunaka at a press conference on the 20th. According to Yabunaka, Yachi replied, "I did not make such a statement. However, I might have made a misleading remark in my statement as a whole." The foreign minister reportedly reprimanded Yachi, noting, "It is regrettable that you made a misleading statement."

Comment by Public Relations Section of the Mainichi Shimbun
President Office: "We recorded our interview with Mr. Yachi with his consent. The article is based on his statement."

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15) Aso, Vietnamese leader agree to cooperate for implementation of UNSC presidential statement on North Korea

SANKEI (Page 5) (Full)
April 21, 2009

Prime Minister Taro Aso held talks with visiting Vietnamese Communist Party General Secretary Nong Duc Manh at the Prime Minister's Office last evening. In the meeting, Prime Minister Aso sought Vietnam's cooperation for the implementation of the UN Security Council presidential statement adopted in reaction to North Korea's missile launch [on April 5]. In response, the general secretary indicated that his country would like to cooperate with countries concerned, including Japan. Vietnam is a nonpermanent UNSC member and has diplomatic ties with North Korea.

The two leaders agreed on the importance of the denuclearization of the Korean Peninsula. "I hope for the resumption of the Six-Party talk," Manh said. Aso explained Japan's standpoint regarding the abduction issue, and the Vietnamese general secretary responded, "I am aware of the feelings of the Japanese people."

In addition, they agreed to deepen bilateral relations as a strategic partnership for the peace and prosperity of Asia. They released a joint statement after their talks.

Manh invited Aso to visit Vietnam, and Aso replied that he would like to visit at a convenient time.

16) Vice defense minister: Retrieving North Korean missile difficult

SANKEI (Page 5) (Full)
April 21, 2009

Administrative Vice-Defense Minister Kohei Masuda, in a press conference yesterday, dismissed the possibility of retrieving the debris from the long-range ballistic missile fired by North Korea [on April 5] that fell into the Sea of Japan and the Pacific Ocean. He said: "Their splashdown points have not been determined. The technical difficulty in retrieving the objects remains unclear. It is generally difficult to retrieve any object that fell in the ocean. The government should make a decision after all conditions become clear by taking into consideration the option's legal aspects and its cost effectiveness."

17) S. Korean defense chief to arrive in Japan April 23

ASAHI (Page 4) (Full)

April 21, 2009

Yoshihiro Makino, Seoul

South Korean Defense Minister Lee Sang Hee will visit Japan from April 23 and is scheduled to meet with Defense Minister Hamada. Japan and South Korea will hold a meeting of their defense ministers for the first time since February 2007 when then Defense Minister Kim Jang Soo visited Japan. The two countries will conclude a memorandum of understanding (MOU) that incorporates a periodic defense exchange program for the Self-Defense Forces and South Korean forces. In addition, the two defense ministers will also

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exchange views about such matters as the military situation in North Korea.

The MOU is intended to stabilize bilateral defense exchanges that have been often suspended in the aftermath of Yasukuni Shrine visits and other issues. Tokyo and Seoul are now coordinating to specify exchange events, including mutual high-level defense visits and joint sea rescue drills. The two defense chiefs will reach an agreement in their meeting and would like to make the MOU binding.

18) People's New Party Secretary General Kamei opposes anti-piracy legislation

YOMIURI (Page 4) (Full)
April 21, 2009

General Secretary Hisaoki Kamei of the People's New Party (PNP) on April 20 revealed his stance on the anti-piracy legislation to a press conference held in Yokoyama on April 20. He said, "I cannot accept the legislation, unless it is for a limited period of time." The PNP along with the Democratic Party of Japan (DPJ) are calling on the ruling parties to revise six items. However, there has appeared an observation that the PNP has shifted its policy stance on the anti-piracy issue to that of the Social Democratic Party, which is opposing the bill.

ZUMWALT